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REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIUM

I. INTRODUCTION

1. The present report is submitted pursuant to paragraph 14 of Security Council resolution 1120 (1997) of 14 July 1997, in which the Council requested me to report on all aspects relevant to the peaceful reintegration into Croatia of the region of Eastern Slavonia, Baranja and Western Sirmium (hereafter referred to as the region).

2. The Security Council will recall that in my report of 23 June (S/1997/487), I outlined a two-phase exit strategy for the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES). In the first phase, executive responsibility for the major part of the civilian administration of the region would be devolved to Croatia but UNTAES would maintain authority and the ability to intervene and overrule decisions should the situation deteriorate and the achievements of UNTAES be threatened. In the second phase, subject to Croatian performance, the remaining executive functions would be devolved. That strategy was adopted with a view to allowing UNTAES personnel and resources to be reduced progressively as executive functions were assumed by Croatian authorities. In paragraph 51 of my report, I outlined benchmarks that, if met by the Government of Croatia, would give confidence to the region and lead to an early transfer of authority from UNTAES to the Government.

3. In its resolution 1120 (1997), the Security Council, inter alia, decided to extend the mandate of UNTAES until 15 January 1998 in accordance with its resolution 1079 (1996) of 15 November 1996 and the Basic Agreement of 12 November 1995 (S/1995/951, annex). The Council endorsed the plans set out in my report of 23 June for the gradual devolution of executive responsibility for civil administration in the region and for restructuring UNTAES. The Council stressed that the pace of gradual devolution of executive responsibility would be commensurate with Croatia's demonstrated ability to reassure the Serb population and successfully complete peaceful reintegration. Pursuant to that

resolution, UNTAES has been carefully monitoring Croatian efforts to meet the benchmarks while downsizing and restructuring the Mission.

II. PROGRESS ON REINTEGRATION

4. Throughout the course of its mission, UNTAES has pursued the policy of negotiating public agreements with the Government of Croatia on the specific implementation of the rights and guarantees contained in the Basic Agreement and in the letter of the Government of Croatia of 13 January 1997 (S/1997/27, annex). These public agreements have been freely and voluntarily entered into by the Government of Croatia. Their purpose has been to reassure the population of the region that their rights and guarantees as Croatian citizens will be respected during this transitional period and will continue indefinitely, and to provide guidance to Croatian officials. As at 25 September, some 33 written agreements and declarations had been negotiated.

5. Over the past 20 months, the Government of Croatia has achieved many of the goals established in the Basic Agreement and in its letter of 13 January. Most technical reintegration issues have been successfully addressed. However, as at 25 September, substantial goals still remained to be accomplished before the end of the mandate. The present report, therefore, focuses on those areas where additional work is necessary and on those agreements that have only been implemented in part or not at all. The emphasis on these issues should not detract from the overall achievements by UNTAES and by the Government of Croatia which have maintained peace in the area for almost two years and created a solid base on which to build the future.

6. While the report identifies many specific implementation problems, it is of particular concern that in recent weeks the Government of Croatia has sought to repudiate unambiguous commitments made in key documents, including the Croatian letter of 13 January, and to ignore the results of the elections on 13 and 14 April 1997, by using the 1991 census as the basis for determining Croat/Serb proportional representation in local institutions. This contradicts the clear terms of the Basic Agreement that all persons who have left the region or who have come to the region with previous permanent residence in Croatia shall enjoy the same rights as all other residents of the region. In addition, this standard is not applied elsewhere in Croatia in those areas where Serbs constituted a clear majority in 1991. Based on the 1997 voter registration lists for the region, at least 40 per cent of the region is of Serb ethnicity and proportional representation in local institutions should reflect this ratio. Croatia's insistence and pressure for the termination of the UNTAES mandate has increased, but the progress achieved to date does not give confidence that the peaceful reintegration of the people of the region is as yet self-sustainable and irreversible.

Integration of public services and enterprises

7. Croatian control of regional public services and utilities has generally made substantial progress. Regular electricity is being provided in most areas, postal and telecommunication services are operational, rail services on two lines have been reintroduced, roads are being repaired, over 15,000 vehicles have been registered, some 17,000 drivers licences issued and taxation and employment bureaux have been reintegrated. Some 4,200 work contracts in

reintegrated public enterprises and institutions have been offered, of which 96 per cent have been accepted by local residents. A further 300 positions are pending. All public employees are now receiving at least part of their salaries pending final verification of their documents and qualifications. Unfortunately, this progress has not extended to the important areas of education, health and the judiciary.

8. Several employment issues also remain to be resolved. It was not until 24 September that the Government of Croatia stated its intention to abide by the annex to the Affidavit on Employment, signed on 14 February, which provides that the years of employment service from 1991 to 1996 are to be recognized for calculations of length of service. This impacts on salary levels, seniority and future pension benefits. The employment status of several hundred municipal workers of the previous Serb local administration is unresolved. The Government of Croatia has stated that only 112 Serbs will be employed in local administration, contrary to provisions in its letter of 13 January. A frequent complaint is that Serb managers of the former regional enterprises are being bypassed or marginalized in the decision-making process.

9. The Croatian letter of 13 January guarantees educational autonomy to Serbs and other minorities by entitling them to prepare a curriculum that fosters cultural identity, history and heritage within the Croatian educational system. However, the fact that the complete reintegration of schools in accordance with the signed agreement on education has not yet been achieved remains a cause of concern. The Ministry of Education has not honoured fully agreements signed including, inter alia, on the fair and equitable distribution of principals' positions based on the evolving ethnic composition of the region, the use of minority languages and scripts in secondary schools, the validation of qualifications of teaching staff and the placement of signs on schools in the Latin and Cyrillic scripts. With the start of the new school year on 8 September, there has been an atmosphere of anxiety and uncertainty and public demonstrations by teachers, students and parents.

10. The reintegration of the health sector has been slow and difficult. Some initial progress has been made only in the past four weeks as international attention to this problem area has increased. The 16 June agreement to provide medical supplies and assume immediate responsibility for operating costs of medical facilities was initially not fulfilled. The region suffered critical shortages of medicine and hospital supplies throughout the summer. In mid-July, the first delivery of a small amount of medical supplies was made to Vukovar Hospital and Beli Manastir health centre. It was not until 28 August that the Ministry of Health made banking arrangements to cover routine day-to-day expenses in the health sector. On 12 September, an additional two-month supply of medicines was delivered to Vukovar Hospital.

11. The Croatian letter of 13 January guarantees that the area now constituting the region under the Transitional Administration will have proportional Serb representation, including at senior positions, in the judiciary. After four months of negotiations, this has still not been achieved. Croatian officials have argued that the 1991 census, not the 1997 voter registration lists, should determine the percentage of Serb representation. On 23 September, in a reversal of its previous position, the Government of Croatia agreed to implement its

commitments on proportional representation of Serbs, coordination with UNTAES of the judicial competition examinations and appointment of Serbs to judicial posts in the Osijek-Baranja District Court, the State Prosecutor's Office and the Commercial Court.

Establishment of local government administration

12. Five months after local elections, the power-sharing agreement between the major Croat and Serb political parties is not working well. There continues to be a demonstrable lack of commitment by Croatian officials to work towards the establishment of effective local government administration. Municipalities throughout the region lack adequate financial resources. Only some of the municipalities have received their promised 50,000 kuna (approximately US$ 8,000) start-up funds for the salaries of key officials and the cost of convening council meetings. These funds will not be sufficient to operate communal services. The Government of Croatia has still not legally recognized the boundaries of new municipalities. While some of these municipalities have received assistance from county authorities, they are unable to withdraw funds from municipal accounts without legal recognition. No formal annulment of Croat institutions "in exile", set up outside the region, has occurred. Few Croat elected officials reside or have a regular presence in the region. Only the tax and customs authorities operate on a full-time basis.

Establishment of political institutions

13. After three months' delay, on 29 August, the Joint Council of Municipalities was finally registered in accordance with Croatian law. The Council has begun to participate fully in the resolution of local issues and has held meetings with senior officials in Zagreb. The Serb National Council has been established and is functioning. Four Serb assistant ministers and two senior advisers have been appointed, although the cooperation and facilities provided to them by the Government of Croatia have not always been adequate. It is disappointing that the performance of some of these Serb representatives have not performed with the energy and expertise necessary to represent their constituencies effectively.

14. Of particular importance for the implementation of local Serb cultural autonomy, promised in the Croatian letter of 13 January, is the continuation of the local Serbian-language media. An early Croat proposal for the integration of all Serb radio and television stations and the employment of all current staff as a regional unit of the Croatian State radio/television company was rejected by the local Serb leadership which, instead, proposed an integrated regional media system under the direction and control of the Joint Council of Municipalities. This would have been in conflict with Croatian media law. The Council is currently revising its proposals with a view to establishing separate and independent radio and television stations in the region that would provide independent reporting about, and coverage of, Serb and other ethnic activities and views.

Equal treatment in the provision of government services and benefits

15. A key indicator of the intention of the Government of Croatia is whether government services and benefits are provided fairly and equitably to the people of the region regardless of ethnicity. The regional systems for social welfare, unemployment and pensions were technically reintegrated into Croatian structures in July 1997. Of the previous 20,000 pension and welfare recipients, approximately 15,000 residents have re-enrolled in the Government of Croatia's pension fund. Some 10,500 have received pension benefits. Problems, however, persist with the registration of many other potential pensioners and the payment of benefits to displaced persons and former recipients of social welfare.

16. Most of the region's residents have received Croatian documents. As at 25 September, approximately 146,000 citizenship documents, 130,000 Croatian identity cards and 126,000 passports had been issued. However, over 1,300 residents have been denied naturalization on the basis that they failed to meet the provisions of the Croatian law on citizenship, which requires "that a conclusion can be derived from his or her conduct that he or she is attached to the legal system and customs persisting in the Republic of Croatia and that he or she accepts the Croatian culture". Under the law on travel documents for Croatian citizens, some cases of denial of passports to Serbs have been made on the grounds of pending criminal proceedings. In both cases, denials have been made without adequate explanation and do not appear to be based on fact. Over 900 appeals have been pending for several months in the Administrative Court in Zagreb. Very few of those appeals have been resolved. Consequently, many Serb families have been left in a state of uncertainty because one member has been denied citizenship. This also impacts on the ability of residents to remain in the region and receive employment and social welfare benefits.

Economic reintegration

17. The basic conditions for economic reintegration have been created through measures such as the introduction of the Croatian currency, the establishment of a modified Croatian customs regime, the reintegration of the financial and banking system, the opening of the region to Croatian commercial traffic and the promotion of trade between the region and the rest of Croatia. However, Croatian authorities and the national business community have been slow in taking advantage of these positive developments. Reintegration in the private sector has mainly been focused on agro-industrial combines, neglecting small- and medium-sized enterprises. The privatization process has yet to start. Fewer than half of the local companies have been registered in accordance with Croatian commercial law, mainly owing to slow and cumbersome court procedures and to Serb failure to apply promptly.

18. The high rate of unemployment in the region and the overall absence of a consolidated economic policy by the Government of Croatia to address the reintegration of the region are matters of concern. The Government of Croatia has yet to announce a budget that outlines the costs and revenues to meet anticipated reintegration needs. Substantially higher nationwide charges for utilities and the collection of Croatian customs on goods imported across the borders have had the effect of substantially increasing the cost of consumer goods and public services without a corresponding increase in wages or

employment opportunities. This has contributed to economic hardship for many vulnerable local residents.

Reconciliation

19. No action has been taken by the Government of Croatia to initiate a country-wide public programme of national reconciliation, as called for in resolution 1120 (1997) and the statement by the President of the Security Council on 18 September (S/PRST/1997/45). On 12 August, President Tudjman assured the former Transitional Administrator that a national steering council would be established and that swift action would be taken to develop and implement a well-resourced programme. Instead, the national State-owned media have attacked the concept as naive and Transitional Administrator Walker for having raised it publicly. Croatian television continues to broadcast daily highly inflammatory footage of events during the war just prior to evening news programmes, thus belying the Government's commitment to the promotion of ethnic reconciliation.

20. Considered proposals by UNTAES for the establishment of a day of reconciliation, possibly on the 12 November anniversary of the signing of the Basic Agreement, were wilfully parodied by government officials into a one-day celebration of return of Croat displaced persons to the region and early termination of the UNTAES mandate. In general, the ethical and moral basis for reconciliation has been ignored by Croatian institutions and responsible officials. Their view appears to be that reconciliation led by the Government is largely reflected in bilateral relations and agreements with the Federal Republic of Yugoslavia. Within Croatia, reconciliation is considered a personal matter for individuals. With continued returns of Serbs to the rest of Croatia and the imminent return of substantial numbers of Croat displaced persons to the region, public official support for reconciliation is essential to confidence-building throughout Croatia.

Missing persons

21. Within the context of reintegration and reconciliation, UNTAES has sought to defuse the politically sensitive issue of missing persons in the region by facilitating the efforts of a tripartite (Croats, Serbs, UNTAES) missing persons commission. The UNTAES role has been to provide organizational and investigative oversight and security, act as a buffer between the parties during these often emotional activities, and provide objective information to an often exploitative and inflammatory press. Since July, over 100 remains have been exhumed under appropriate safeguards and conditions of dignity. On 13 September, agreement in principle was reached for the inclusion of Serbs into the regional Croatian missing persons subcommission.

Return of displaced persons and refugees

22. There has been some progress on returns. According to Croatian statistics, since April 1997 over 5,200 Serbs have returned to their homes throughout Croatia. Of that number, 965 returned using the weekly convoys organized since July by UNTAES, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Croatian Office for Displaced Persons and Refugees. Two hundred

made private arrangements for return. Over 4,100 returned "spontaneously" without an official "confirmation" from the Government of Croatia. They have now been granted confirmation retroactively.

23. In the same period, only 320 Croat displaced persons have returned to the region with official confirmation of the Office for Displaced Persons and Refugees. An additional 1,500 Croats have returned spontaneously, mainly to reconstructed villages in the south of the region. There are over 750 vacant and habitable houses in the region to which Croats could return immediately. The importance of such returns has been emphasized to the Croatian authorities and displaced persons organizations, but it appears that the return of Croats to the region is being blocked for political reasons. The Government insists that UNTAES is responsible for the lack of Croat returns, by denying access and requiring passes. This is not the case.

24. Two-way returns have been held up by the slow action of the Office for Displaced Persons and Refugees, the uncertain security and economic situation in areas of potential return and legal impediments to getting back property. Displaced persons living inside the region must register with the Office and receive an official confirmation for return before actual return can take place. Approximately 23,000 individuals (70 per cent of the estimated population of displaced persons in the region) have registered with the Office. More than half of those registered have stated that they wish to return to homes in other parts of Croatia but, as at 15 September, only 3,250 individuals had received official confirmation that arrangements for their return had been completed. During the same period, only 1,300 confirmations were issued for Croats to return to their homes within the region.

25. In all cases, the confirmation indicated that the families were moving back to vacant, habitable homes or reuniting with family members who had stayed behind. However, at least 15 of the homes outside the region deemed habitable were in fact damaged or occupied. This has reduced Serb confidence in the Office for Displaced Persons and Refugees process. None of the applications for return to damaged or occupied homes have been fully resolved. Senior Croatian officials state that funding for reconstruction of Serb houses will be difficult to identify.

26. Many Serb displaced persons voice concerns about their personal security and economic circumstances should they return to other parts of Croatia. Clearly, more work needs to be done with local authorities and receiving communities. To that end, members of UNTAES, UNHCR and the Government of Croatia have participated in public forum meetings throughout Croatia to address the concerns of communities to which Serbs are returning. The Transitional Administrator and the UNHCR Representative for Croatia visited Knin and Benkovac in the former sector south. They emphasized the need to provide a safe environment for all Croatian citizens regardless of ethnicity, as well as equal access to social and economic opportunity. During the meetings it was clear that the continued presence of UNHCR throughout Croatia is essential to the confidence and welfare of displaced persons and returnees.

27. The Government of Croatia has not rescinded its Law on the Temporary Takeover and Administration of Specified Property as urged in resolution

1120 (1997) or restored tenants' rights to Serb displaced persons who lived in socially owned apartments. Property claims commissions established in the former Sectors remain ineffective in resolving claims filed by displaced Croatian Serbs wishing to return. Those issues adversely affect the willingness and ability of refugees and displaced persons to return to their homes, in both directions. The governmental Real Estate Agency has started to purchase Serb properties in Western Slavonia. It remains to be seen whether the Agency will give equal opportunity to Serbs and Croats to buy and sell property without discrimination. The possibilities for displaced persons to receive just compensation or to stay in the region, as provided in the Basic Agreement, have not been sufficiently addressed by the Government of Croatia.

Amnesty Law

28. In resolution 1120 (1997), the Security Council urged the Government of Croatia, inter alia, to eliminate ambiguities in the implementation of the Amnesty Law and to implement it fairly and objectively in accordance with international standards. While the Government of Croatia has publicly stated that it no longer possesses a "war crimes list" of persons in the region whose alleged criminal acts fall outside the Amnesty Law, this statement falls short of the obligation to reduce public anxieties by concluding investigations of alleged serious crimes against international humanitarian law with the participation of the United Nations and local Serbs. United Nations staff have spoken with Croatian officials who have confirmed that various prosecutors' offices have lists of Croatian Serbs who are either being investigated or have been charged with war crimes or acts of genocide.

29. Reports from international trial monitors raise doubts about the legal standards applied by some Croatian courts when dealing with alleged war crimes. In one particular instance, a Serb man was found guilty of genocide and sentenced to five years imprisonment in Osijek. Trial observers from the United Nations and other organizations concluded that there was insufficient evidence to substantiate the charges, and doubted the applicability of the genocide charge to the facts.

Maintenance of public safety and security

30. A police force that can discourage and control outbreaks of inter-ethnic violence is essential for Serbs who remain and for Croats who return to the region. Considerable progress has been made in the organizational establishment of the Transitional Police Force (TPF), which consists of 910 Serbs, 841 Croats and 52 members of other ethnic minorities. It operates under the close and, concerning the Croat TPF officers, increasingly needed supervision of United Nations civilian police. All senior positions reflect proportional ethnic representation.

31. TPF has shown considerable progress in its professional expertise. However, it does not enjoy significant confidence amongst either local Serbs or returning Croats. Its inter-ethnic cohesion is yet to be fully established and some Serb officers complain that they have been demoted, moved, dismissed or simply ignored because of their ethnicity. Several TPF officers have been found guilty of criminal charges, insubordination or harassment and have been

dismissed. Many local Serbs say that they dare not report abuses for fear of repercussions. There is substantial evidence that TPF officers are reluctant to take action against members of their own ethnic community. TPF has yet to demonstrate that it has the qualities to police effectively and impartially the multi-ethnic communities of the region.

32. With the withdrawal of the UNTAES military component, TPF will have sole responsibility for the maintenance of peace and security within the region. An increasingly liberal policy of access to the region, and the return of Croat displaced persons, will create situations that will test the ability of TPF to take prompt and effective action. While the number of complaints against individual TPF officers has been manageable, outside the region there have been reports of Croatian national police harassment of Serbs and failure to provide security to Serbs living or travelling outside the region. In the absence of local confidence and evidence of the ability of TPF to control inter-ethnic tensions, it is essential that it continues to operate under the authority of the Transitional Administrator and day-to-day control of the United Nations civilian police.

III. BILATERAL ISSUES

33. In its resolution 1120 (1997), the Security Council stressed the importance of achieving bilateral agreements with the Federal Republic of Yugoslavia on a liberal border regime in the region and demilitarization. After several postponements, a "soft border regime" agreement was signed by the Foreign Ministers of the Federal Republic of Yugoslavia and the Republic of Croatia on 15 September; the agreement will enter into force on 1 November. If fully implemented, the agreement will be crucial for stability and public confidence. However, it does not appear to cover new border-located municipalities established in the region before the elections on 13 April. It may be problematic also for Serb displaced persons in the region to obtain appropriate border passes since their personal Croatian documents show their original municipalities elsewhere in Croatia as their present place of residence. Croatian authorities have stated that this problem will be addressed.

34. Pending implementation of the agreement, UNTAES is maintaining a "free border" policy, with limited controls to deny transborder criminal activity. The functioning of TPF and of the reintegrated Croatian customs service is monitored by UNTAES border monitors. A modified customs regime has been established, which temporarily allows the tariff-free importation of a limited number of items deemed essential to the economy of the region prior to full-scale commercial links with the rest of Croatia.

35. The Transitional Administrator has encouraged representatives of the Federal Republic of Yugoslavia and the Republic of Croatia to enter into bilateral consultations on the long-term demilitarization of the border zone. Croatia's position is that it is ready to enter into talks on demilitarization but will not initiate them. Croatia states that it has no fears or concerns about the military status of the border area and does not see it as a real problem for reintegration of the region. The position of the Federal Republic of Yugoslavia is to support a freeze in place of military assets. If an

agreement on the issue is not reached before the end of the UNTAES mandate, it may have serious implications for both local confidence and stability and the evolution of normalization at the border between the two countries.

IV. HUMAN RIGHTS

36. Observance of the highest international standards of human rights is guaranteed in the Croatian constitution and reaffirmed in the Basic Agreement. To improve monitoring of this important issue, in early August 1997, the Human Rights Monitoring Unit of UNTAES became fully functional on the basis of arrangements agreed with the Office of the United Nations High Commissioner for Human Rights.

37. Numerous cases of human rights violations have been identified. While there is no pattern of gross human rights violations in the region, the cumulative effect of the violations described below and the discriminatory practices referred to elsewhere in the present report, is such that Serbs in the region have little confidence in the will of the Croatian authorities to protect them after the departure of UNTAES. Confirmed human rights abuses include unfair trial procedures in war crimes cases; attacks on Serb displaced persons from the region in other parts of Croatia either by Croat police officers or with their apparent collusion; abuses by Croat TPF officers, usually involving harassment of Serb displaced persons; and discrimination against Serbs in areas such as education, employment, pensions and health care.

38. On 1 June 1997, under the authority of the Transitional Administrator, Croatian law became effective in the UNTAES region even though the reintegration of the judicial system is still pending. At present, Croatian law is administered by the former local courts. This has delayed the resolution of the unduly prolonged pre-trial detention of several inmates at the Beli Manastir prison, some of whom have expressed their wish to be tried by a Croatian court. A review of these cases by the Croatian Supreme Court resulted in one person being released, but the other cases remain unresolved.

39. Reports of intimidation and harassment of Serb displaced persons by Croats from outside the region have increased during the past two months. These have included repeated visits by Croat owners to houses occupied by Serb displaced persons, sometimes accompanied by TPF officers or municipal officials, verbal abuse, threats and warnings. Many Serbs have received telephone calls, sometimes repeatedly, threatening violence or death. The active or passive involvement of TPF officers in harassment or intimidation is a destabilizing factor.

40. At the same time, the behaviour of Croat police officers in other parts of Croatia may deter Serbs from returning there. Serbs from the region have been attacked by Croats while visiting other parts of Croatia and have failed to receive protection or support from Croatian police officers. In one case, the assault was carried out by a retired Croatian police officer inside a police station and resulted in identical charges being brought against the victim and the perpetrator. In three other instances, the police were called to the scene

but failed to detain the perpetrators, who were still present, and in one case held and interrogated the victim.

41. Another concern that could affect the willingness of Serbs to reintegrate into Croatian society is related to the Croatian media. Hate speeches against Serbs can be found in a number of periodicals freely available in the marketplace despite prohibitions against such speech in Croatian and international law.

42. Members of families of mixed origin who stayed in the region throughout the war are facing potential discrimination in exercising their right to employment. Between 1991 and 1997, many in this category lost their jobs or were replaced by Serbs. Now, they are in a disadvantageous position. They are not entitled to the privileges pertaining to Croat displaced persons because they spent the war years inside the region. They do not benefit from the protection afforded by the recent agreements on employment because they were not able to work under Serb rule.

IV. RESTRUCTURING OF THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIUM

Military

43. In accordance with resolution 1120 (1997), the military component of UNTAES has been reduced from 5,000 to 2,530 personnel. The Pakistani and Jordanian battalions and the Argentine Reconnaissance Company were repatriated between 15 July and 12 August. The remaining Russian and Belgian battalions took over the areas of responsibility of the departing units. The security situation in the region enabled the preparation of plans for the further drawdown of the military component. The withdrawal of the military component from the checkpoints between the region and the rest of Croatia was completed on 15 September. Control of these checkpoints is now the full responsibility of TPF, supervised by the United Nations civilian police.

44. Current UNTAES military activities focus on creating the conditions to facilitate the reintegration and reconciliation process while supporting the safe return of displaced persons and refugees. UNTAES military engineers and the mine action centre, working in close cooperation with the Government of Croatia, have been responsible for the management and monitoring of demining activities throughout the region; more than 150 kilometres of railroad, 75 kilometres of high-power lines and 10 villages have been demined. The military component has also supported the weapons-buy-back programme sponsored by the Government of Croatia through which approximately 10,000 rifles, 7,000 anti-tank weapons, 15,000 grenades, 2 million rounds of ammunition and numerous mines and other explosives were collected over a one-year period.

United Nations military observers

45. The United Nations military observers provide information on the security situation within the region through close contacts with the community and former military commanders. They maintain close liaison with the Croatian military forces and police in Osijek and Vinkovci and have increased patrols along the former zone of separation and other likely areas of tension, which has acted as a deterrent to civil disobedience. The military observers have continued to provide extensive support to UNTAES programmes by facilitating the two-way return of displaced persons, identifying vacant houses and monitoring human rights issues. With the withdrawal of UNTAES battalions, the military observers will assume greater responsibility for monitoring the security situation.

United Nations civilian police

46. In view of the need for continued supervision of TPF, it has not been possible to execute the drawdown of United Nations civilian police as proposed in my report of 23 June. Consequently, the United Nations civilian police will stay at its current actual strength of 400 in order to continue to monitor all TPF operations, including the special operations unit, the river patrol unit and the control of checkpoints and border crossings, as well as conducting patrols throughout the region, special investigations and court and prison monitoring. The continuation of the civilian police component at its present strength will require the maintenance of 120 language assistants, which is 36 above the number originally planned at this stage of restructuring of UNTAES.

VI. OBSERVATIONS

47. In my report of 23 June, I observed that the institutional reintegration of the territory of the region was being finalized but the reintegration of its people had hardly begun. The residents of the region have placed their trust in the commitments made by the Government of Croatia under UNTAES auspices, but they remain apprehensive and unsure that those commitments will be implemented and maintained.

48. In its resolution 1120 (1997), the Security Council endorsed plans that would lead to the timely and successful transfer of authority over the region to Croatia within the period envisaged in the Basic Agreement. As the Council underlined, the essential prerequisite for the successful completion of peaceful reintegration is the full cooperation of the Government of Croatia, which bears the ultimate responsibility for convincing the local population that their reintegration is sustainable and that the process of reconciliation and return is irreversible.

49. Croatia has made significant achievements in formal and technical aspects, such as the reintegration of State institutions. However, its cooperation in integrating the people of the region and implementing agreements important to their long-term rights and welfare has been less apparent. The Security Council expressed in the statement of its President of 18 September (S/PRST/1997/45) its deep concern at the lack of substantial progress by the Government of Croatia in

fulfilling the conditions and tasks that were key to the transfer of executive authority in the region to the Republic of Croatia.

50. Of fundamental concern is that no attempt has been made by the Government of Croatia to lead and support a national programme of reconciliation and confidence-building. The political leadership has yet to prepare the population, at a minimum, to coexist peacefully and to begin to rebuild functioning multi-ethnic communities in the region. The need for such a programme is evident to avoid ethnic harassment, in the region and throughout Croatia, as displaced persons return home.

51. It must be emphasized that full implementation of agreements and commitments can be achieved quickly through appropriate action by the Government of Croatia. However, a review of Croatian actions, not words, over the past two months shows substantial deficiencies and a lack of political will. The UNTAES exit strategy appears to have been taken as the goal of Croatian activity rather than the means by which the local population can be reassured sufficiently to enable transfer to authority to Croatia and a seamless transition to long-term international monitoring.

52. However, in recent meetings with the Transitional Administrator, the Government of Croatia has stated that the successful termination of UNTAES by 15 January 1998 is one of its highest State priorities. On 23 September, the Transitional Administrator was informed by the Prime Minister of Croatia that the Government of Croatia had decided to cooperate fully with UNTAES to resolve swiftly all remaining issues of contention and non-performance. The Transitional Administrator welcomed the belated commitments and offered full UNTAES cooperation to enable the Government to turn its promises into concrete action.

53. Over the following 48 hours, Croatian commitments left unfulfilled for months were reconfirmed and several stalled negotiations were brought to rapid conclusion. These included commitments on education, reintegration of the judiciary, functioning and funding of the elected bodies and the provision to UNTAES of some documents relating to 25 convictions for alleged war crimes.

54. Local Serb leaders have expressed satisfaction that the technical conditions for the completion of peaceful reintegration are in place but insist that the Basic Agreement has not been implemented fully and consistently and that several commitments in the Croatian letter of 13 January and subsidiary written agreements have not been fulfilled. In a letter dated 14 September, the President of the Independent Serb Democratic Party and the President of the Joint Council of Municipalities requested a continued United Nations presence in the region in the post-UNTAES period.

55. However, the performance of some of the local Serb leadership has been passive and lacklustre. They have not fully utilized the rights given to Serbs in the Croatian letter of 13 January. They have shown little vigour or initiative in encouraging the population to take advantage of Croatian programmes and have slowed progress in some areas, including in giving their approval for Serb school textbooks to be printed. It has been left to UNTAES to urge prompt registration of local businesses, plan and execute multi-ethnic

confidence-building activities and to prepare the way for the return of Croats to the region.

56. Deficiencies in Croatian cooperation and performance over the past two months have delayed the decision by the Transitional Administrator that conditions have been achieved for the transfer of authority to Croatia. The first phase of the exit strategy has not been completed and authority cannot be handed over at the present time. It is his considered view that transfer of authority over the region to Croatia at the present time would jeopardize the achievements made, but that the Government of Croatia can meet its obligations and commitments if it applies itself with sufficient diligence in the time remaining.

57. In view of the calm and stable military situation in the region, the Transitional Administrator considers that the second phase repatriation of the military contingent of UNTAES can start on 15 October and be completed by 15 November, leaving 720 military personnel plus a platoon guard of 45 men at Pleso. However, because conditions have not yet been achieved to enable the full integration of TPF into the Croatian police force, the present actual civilian police strength of 400 will be required at least until 15 January 1998. It is also essential that the number of United Nations military observers remains unchanged at 100.

58. UNTAES will continue close cooperation with the Organization for Security and Cooperation in Europe (OSCE) to assist in establishing the intended long-term mission of OSCE in Croatia. In that context I am aware of concerns that have been expressed that sufficient and adequate resources would need to be made available to carry out the highly important and resource-intensive police monitoring function beyond 15 January 1998.

59. Much has been achieved since the establishment of UNTAES in January 1996. It will be greatly to the credit of Croats and Serbs alike if they can demonstrate a readiness to work together in the future. But, as the present report has shown, there are too many occasions on which promises are not being kept and confidence is being undermined.

60. I share the assessment of the Transitional Administrator that there is sufficient time for Croatia to improve further its performance and to comply fully with its obligations before 15 January 1998 when the Council must decide on the future of UNTAES. The recent renewed commitment of the Government of Croatia must be put into practice immediately to establish sufficient confidence that the termination of the UNTAES mandate can be achieved without jeopardizing the results of two years of intensive international investment in the process of peaceful reintegration of the region and its people. I propose to report further to the Council on the progress of the reintegration process by 8 December 1997.

61. In conclusion, I should like to pay tribute to the Transitional Administrator, Mr. William Walker, and to the dedicated civilian and military personnel of UNTAES for their performance, commitment and service to the international community.